

In the Matter of: )  
 )  
PUBLIC HEARING ON INTERIM )  
RULE FOR SOLID WOOD )  
PACKING MATERIAL FROM CHINA )

PLACE: Washington, D.C.

*Official Reporters*  
1220 L Street, NW, Suite 600  
Washington, D.C.  
(202) 628-4888

$$\left. \begin{array}{l} \text{ } \\ \text{ } \\ \text{ } \\ \text{ } \end{array} \right\}$$

U.S. Department of Agriculture  
South Building  
1400 Independence Avenue, S.W.  
Washington, D.C.

BEFORE: HON. MIKE LIDSKY  
Presiding Officer

ISI A. SIDDIQUI, Deputy Assistant Secretary

TOM BUNDY, Deputy Assistant General Counsel,  
Regulatory Division, Office of General Counsel

RON CAMPBELL, Import Specialist, PPQ

JOE CAVEY, Entomologist, PPQ

DAVID REEVES, Port Operations Specialist, PPQ

CARL BAUSCH, Head of Environmental Analysis and  
Documentation Unit

TRANG VO, Economist, Policy and Program  
Development, APHIS

## SPEAKERS:

LAURENCE CRAY, C J International

JOHN DEDMON, National Wood Pallet and Container  
Association

KENNETH PRICE, Lydall Southern Products

SCOTT BERG, American Forest & Paper Association

FAITH CAMPBELL, American Lands Alliance

XIA HONG-MIN, CIQ, People's Republic of China

CHRISTOPHER PADILLA, Eastman Kodak Company

SARA FOGARTY, AMP, Incorporated

JOHN KENNEDY, Kennedy Consultants

GAIL STRATMANN, Everready Battery Company

P R O C E E D I N G S

(9:00 a.m.)

1  
2  
3           PRESIDING OFFICER LIDSKY: Good morning, and  
4 welcome to the Animal and Plant Health Inspection Service's  
5 public hearing on its interim rule for solid wood packing  
6 material from China. This interim rule amends the  
7 regulations for logs, lumber and other unmanufactured wood  
8 articles, in Title 7 of the Code of Federal Regulations in  
9 Section 319.40 by adding treatment and documentation  
10 requirements for solid wood packing materials from China.

11           My name is Mike Lidsky, and I head the unit called  
12 Regulatory Coordination and Technical Documentation, within  
13 Operational Support of Plant Protection and Quarantine,  
14 referred to as PPQ, with the Animal and Plant Health  
15 Inspection Service, referred to as APHIS, of the U.S.  
16 Department of Agriculture, referred to as USDA.

17           I have been asked by the Deputy Director of PPQ to  
18 be the presiding officer for today's hearing.

19           I would like to ask Isi A. Siddiqui, Deputy  
20 Assistant Secretary, to give a few remarks. Dr. Siddiqui.

21           DR. SIDDIQUI: Thank you for joining us today to  
22 talk about the interim rule that our Animal and Plant Health  
23 Inspection Service published in the Federal Register on  
24 September 18, 1998. Two additional public meetings are  
25 scheduled, one in Seattle, Washington, on November 3, and the  
26 other in Long Beach, California, on November 5. I assure  
27 you that we will carefully review and consider all comments  
28 before proceeding with the rulemaking process.

29           As you are aware, the threat posed by the

1 introduction of exotic wood-boring pests to our nation is  
2 significant and must be addressed, especially given the  
3 potential economic and environmental consequences of such  
4 pests. The Asian longhorned beetle is a particularly  
5 destructive exotic pest of maple, poplar, and a wide variety  
6 of other tree species. Asian longhorned beetles kill  
7 hardwood trees by boring into their sapwood and reducing the  
8 flow of nutrients and water. In its native China, this pest  
9 has few natural enemies; in the United States, it has none.

10 Since August 1996, major infestations of the Asian  
11 longhorned beetle have been detected in Brooklyn,  
12 Amityville, and Lindenhurst, New York, and several locations  
13 in the Chicago, Illinois, area. Additionally, Asian  
14 longhorned beetles and other exotic wood-borers have been  
15 discovered in shipments from China delivered to warehouses  
16 in fourteen states, including California, Florida, Illinois,  
17 Indiana, Michigan, and New Jersey, among others.

18 If it were established in the United States, the  
19 Asian longhorned beetle could have a severe impact upon the  
20 United States' forest product, nursery, tourist, and maple  
21 syrup industries, which generate combined annual revenues of  
22 approximately \$138 billion in the United States.

23 Specifically, the interim rule will require that  
24 all solid wood packing material associated with cargo from  
25 China be accompanied by official certification from the  
26 Chinese government stating that the material was heat  
27 treated, fumigated, or treated with preservatives prior to  
28 arrival in the United States, or have an exporter's  
29 statement that the shipment does not contain solid wood

1     packing material. We believe this action is the most  
2     effective and least trade restrictive approach of all the  
3     possible options examined by APHIS.

4             We certainly recognize that both APHIS and the  
5     U.S. Customs Service, who work in cooperation at U.S. ports  
6     of entry, will need to make substantial adjustments to their  
7     activities to implement this rule. New documentation will  
8     have to be examined at the time of entry, and APHIS and  
9     Customs officials will need to perform additional  
10    inspections to ensure that all shipments comply with the new  
11    regulations. APHIS anticipates reassigning inspectors to  
12    those particular ports that receive the bulk of Chinese  
13    imports and, if necessary, hire additional staff.

14            We recognize these new regulations may have a  
15    substantial impact on U.S. trade with China. This is why we  
16    have allowed for a 90-day implementation period.  
17    Accordingly,, prior to Secretary Glickman's announcement of  
18    these new regulations in Chicago on September 1, Assistant  
19    Secretary Michael Dunn went to China and met with various  
20    Chinese officials to discuss the reasons for our emergency  
21    action. We believe that this action is consistent with  
22    World Trade Organization requirements, international  
23    sanitary and phytosanitary standards, and U.S. trade policy  
24    and quarantine positions.

25            In 1997, China's total export of agricultural and  
26    nonagricultural products to the United States were valued at  
27    \$26.6 billion, a 7.19 percent share of total U.S. imports.  
28    It is estimated that between \$17 billion and \$32 billion in  
29    imports from China will be affected by the rule change,

1 approximately 28 to 51 percent of the total imports from  
2 China.

3           However, in general, clothing apparel, textiles,  
4 food, and other agricultural items are not likely to be  
5 packed with solid wood material and would not be affected by  
6 the interim rule. Furthermore, the use of alternative  
7 packing materials is likely to reduce the impact of the  
8 interim rule.

9           The interim rule will become effective on December  
10 17, 1998, and we will carefully review all comments received  
11 on or before November 17, 1998, which marks the end of the  
12 60-day comment period.

13           In the meantime, we are going to use the time we  
14 have before the interim rule goes into effect to work  
15 closely with Chinese officials. Together, we will work to  
16 achieve our goal of keeping wood-boring pests out of our  
17 country while also keeping trade between our countries  
18 flowing as smoothly as possible. In fact, an APHIS official  
19 will be stationed in China for at least four months to work  
20 specifically with the Chinese government to help them  
21 achieve compliance with the new regulation.

22           In addition, I also want to point out that we will  
23 continue to evaluate the pest risks associated with solid  
24 wood packing material from all countries. We are currently  
25 preparing an advance notice of proposed rulemaking to seek  
26 information and develop regulatory options on the general  
27 problem of imported solid wood packing material. Through  
28 this advanced notice, we will also gather insight concerning  
29 how to respond to the possible discontinued use of Methyl

1 Bromide fumigation, in keeping with the required phase-out  
2 schedule under the Clean Air Act.

3 I want to make it very clear that we value our  
4 trading relationship with China and all our other global  
5 partners. Our intention here is not to disrupt trade, but  
6 to prevent the entry of foreign pests that pose a serious  
7 economic and environmental threat to our national. Because  
8 the focus of the interim rule is on stopping these pests at  
9 their source, we are very hopeful that we can establish more  
10 secure procedures that will ultimately enhance trade between  
11 our nations while protecting our environment and economic  
12 resources in the United States.

13 Thank you.

14 PRESIDING OFFICER LIDSKY: Thank you, Dr. Siddiqui  
15 for your remarks.

16 As announced in the interim rule proposed in the  
17 Federal Register of September 18, 1998 in Volume 63, pages  
18 50100 - 50111, and the notice published in the October 13,  
19 1998 Federal Register in Volume 63, page 54553, and as Dr.  
20 Siddiqui has indicated, APHIS is holding a total of three  
21 public hearings on the interim rule. The October 13 Federal  
22 Register notice gave the specific locations of the two  
23 additional hearings that will be held in Seattle,  
24 Washington, on November 3, and in Long Beach, California, on  
25 November 5.

26 The Seattle, Washington, public hearing on  
27 November 3 will be held at the Jackson Federal Building,  
28 North and South Auditorium, 915 Second Avenue. Attendees  
29 should use the Second Avenue entrance.



1           The Long Beach, California, hearing is being held  
2     at the Hyatt Regency Hotel, Regency Ballroom ABC, 200 South  
3     Pine in Long Beach.

4           These hearings shall commence at nine a.m. and are  
5     scheduled to conclude at five p.m. However, these hearings  
6     may conclude earlier than five p.m. if all persons who have  
7     registered to participate have been heard.

8           The U.S. Department of Agriculture previously held  
9     a briefing for stakeholders on September 18, 1998, the date  
10    of publication of the interim rule. The purpose of that  
11    briefing was to inform interested persons about pertinent  
12    provisions of the rule as early as possible and to answer  
13    clarifying questions about the rule. However, because there  
14    was no court reporter present at the briefing, the attendees  
15    were asked to refrain from providing comments on the interim  
16    rule.

17           The purpose of today's hearing is to receive your  
18    comments on the interim rule. You have the opportunity to  
19    ask clarifying questions about the provisions of the interim  
20    rule and direct those questions to the persons who have been  
21    responsible for drafting the pest risk assessment as well as  
22    other documents associated with the interim rule.

23           In the course of this process, agency personnel  
24    will be limited to clarifying or explaining the provisions  
25    of the interim rule, and the documents upon which it was  
26    based, but must refrain from answering questions which would  
27    address any particular future regulatory actions the agency  
28    may take in the course of this regulatory proceeding. APHIS  
29    views this hearing as an opportunity to receive public

1 comments and answer clarifying questions, and not as an  
2 opportunity for a debate on the issue.

3 We will consider comments that are received within  
4 60 days of publication of this rule in the Federal Register.  
5 After the comment period closes, we will publish another  
6 document in the Federal Register. The document will include  
7 a discussion of the relevant comments we've received and any  
8 amendments that may be made to the rule as a result of the  
9 comments. The comment period closes November 17, 1998, and  
10 comments must be received on or before that date.

11 If APHIS decides, based on comments received on  
12 this interim rule, to publish a rule that significantly  
13 changes the regulatory requirements in this interim rule in  
14 such a way that persons affected by the rule need time to  
15 change their business procedures, we will set an approximate  
16 effective date for the rule to allow time for implementation  
17 of such changes. As noted in the Federal Register on  
18 September 18, the effective date is December 17, 1998.

19 Persons who have registered to speak will be given  
20 an opportunity to speak before unregistered persons. If the  
21 time permits, persons who have not registered will be given  
22 an opportunity to speak once all registered persons have  
23 been heard.

24 As previously noted, today's hearing is scheduled  
25 to conclude at five p.m. I may conclude the hearing before  
26 five p.m. if all persons who have been registered to  
27 participate have been heard, and there are no other persons  
28 who wish to speak. However, I may limit the time for each  
29 presentation so that everyone is accommodated and all

1 interested persons have an opportunity to participate. I  
2 will announce any other procedural rules for the conduct of  
3 today's hearing as may be necessary.

4 Extra copies of the interim rule published on  
5 September 18 and the October 13 Federal Register notice and  
6 the pest risk assessment have been made available on the  
7 registration table. Copies of these documents can also be  
8 viewed by visiting the APHIS website at  
9 [http\\:www.aphis.usda.gov](http://www.aphis.usda.gov). There is also a special section  
10 on the website under "hot issues" specifically for the Asian  
11 longhorned beetle.

12 All comments made here today are being recorded  
13 and will be transcribed. The court reporter for today's  
14 hearing is Mr. George Holmes of the Heritage Reporting  
15 Corporation. Those persons wishing to receive a copy of  
16 today's transcript should contact the court reporter for  
17 today's hearing. He will provide a copy of the transcript  
18 for a fee, and can be reached at area code (202) 628-4888.  
19 A copy of the transcript shall be made available for public  
20 inspection at the APHIS reading room, Room 1141, South  
21 Agriculture Building, 14th Street and Independence Avenue,  
22 Southwest, Washington, D.C. The room is open from eight  
23 a.m. to 4:30 p.m., except holidays. A copy will be  
24 available in approximately 15 business days. We also plan  
25 to post a copy of the transcript on our website.

26 As presiding officer, I shall announce each  
27 registered speaker that has requested to make a prepared  
28 statement. Before commencing your remarks, please state and  
29 spell your last name for the benefit of the court reporter.

1           In accordance with the procedures noted in the  
2     September 18 interim rule, I am requesting that anyone who  
3     reads a prepared statement please provide a representative  
4     of the agency with two copies of your prepared statement.  
5     This can be done by giving the copies to the person at the  
6     registration table, or to me. Any written as well as oral  
7     statement submitted or presented at today's hearing, as well  
8     as any written comments submitted prior to the close of the  
9     comment period shall become part of the public record of the  
10    hearing.

11           If an individual's comments do not relate to the  
12    stated purpose of this hearing, which is to present comments  
13    or questions on the interim rule, it will be necessary for  
14    me to ask that the speaker focus his or her comments  
15    accordingly.

16           Any comments made in addition to those presented  
17    at today's hearing should be submitted to Docket No. 98-087-  
18    1, Regulatory Analysis and Development, PPD, APHIS, Suite  
19    3C03, 4700 River Road, Unit 118, Riverdale, Maryland, 20737-  
20    1238. When submitting such comments by mail, please submit  
21    an original and three copies.

22           Before concluding my remarks I would like to  
23    introduce the other persons seated in the front of the room.

24           To my left is Mr. Tom Bundy, Deputy Assistant  
25    General Counsel of the Regulatory Division of the Office of  
26    General Counsel. The regulatory division serves as counsel  
27    to our Plant Protection and Quarantine programs. Mr. Bundy  
28    reserves the right to make comments of an advisory nature to  
29    program personnel at any time during these proceedings.

1 Further, he may advise a panel member not to respond if he  
2 believes that a question posed calls for a response which  
3 would call for a speculative answer regarding future  
4 regulatory action that the agency may take in connection  
5 with this regulatory proceeding.

6 To Mr. Bundy's left is Mr. Ron Campbell, who is an  
7 import specialist with the phytosanitary issues management  
8 branch of PPQ programs.

9 Next to Mr. Campbell is Mr. Joe Cavey, an  
10 entomologist with PPQ. Next to Mr. Cavey is Mr. David  
11 Reeves, a port operations specialist with the Agriculture  
12 Quarantine Inspection unit of PPQ.

13 Adjacent to Mr. Reeves is Mr. Carl Bausch, head of  
14 Environmental Analysis and Documentation unit, which  
15 prepared the environmental assessment on the interim rule.

16 Next to Mr. Bausch is Ms. Trang Vo, an economist  
17 with the Policy and Program Development unit of APHIS, who  
18 prepared the Interim Economic Impact Assessment.

19 Mr. Campbell will provide background information  
20 on the interim rule and how to comply with it. After the  
21 presentation made by Mr. Campbell, I will call the first  
22 registered speaker.

23 Ron.

24 MR. CAMPBELL: Good morning. My name is Ron  
25 Campbell. I am an import specialist with Plant Protection  
26 and Quarantine programs of the Animal and Plant Health  
27 Inspection Service in Riverdale, Maryland.

28 As you are aware, Plant Protection and Quarantine  
29 is amending the regulation that governs the importation of

1 logs, lumber and other unmanufactured wood articles to  
2 prohibit solid wood packing material from China unless it is  
3 imported under specific, phytosanitary conditions. Wood  
4 packing material is defined in the regulation as, "Wood  
5 packing materials other than loose wood packing materials,  
6 used or for use with cargo to prevent damage, including, but  
7 not limited to, dunnage, crating, pallets, packing blocks,  
8 drums, cases, and skids."

9 Not included are synthetic or highly processed  
10 wood materials used as packing materials, such as plywood,  
11 oriented strand board, corrugated paperboard, plastic, and  
12 resign composites.

13 This emergency action is necessary because of an  
14 outbreak and regulatory finds of exotic deep wood-boring  
15 beetles linked directly to solid wood packing material from  
16 China.

17 On March 7, 1996, APHIS announced a quarantine in  
18 Brooklyn, New York, because of an infestation of the Asian  
19 longhorned beetle. This is a serious pest in its native  
20 environment, China, where it has few known natural enemies.  
21 In the United States it has none. Asian longhorned beetles  
22 attack many different hardwood trees, including Norway,  
23 sugar, silver, and red maple, horsechestnut, poplar, willow,  
24 elm, mulberry, and black locust. The adult female lays eggs  
25 on the bark of the tree that hatch into larvae. The larvae  
26 then bore into the heartwood of the tree and eventually kill  
27 it.

28 Because the insects spend the majority of its life  
29 cycle inside the tree, it is virtually impossible to

1 eradicate them with insecticides. And research has not yet  
2 produced a trap specific to this pest. The only way to  
3 eradicate the beetle is to remove and destroy the invested  
4 trees.

5 Since this outbreak APHIS intensified its  
6 inspection protocol to uncover the source of the  
7 infestation. In warehouses and residential sites outside of  
8 U.S. ports of entry, inspectors discovered the Asian  
9 longhorned beetle and three other dangerous forest pests 26  
10 times in 14 states around the country. Every interception  
11 was associated with solid wood packing material from China.

12 Now that it has been proven that solid wood  
13 packing material associated with general cargo from China is  
14 a pathway from exotic forest pests, and existing  
15 phytosanitary measures outlined in the regulations are  
16 ineffective in preventing the entry of these pests, U.S.  
17 producers, environmental groups, and the National Plant  
18 Board consisting of departments of agriculture from all 50  
19 states have petitioned APHIS to take emergency interim  
20 measures to halt the further introduction of these pests.

21 Then in July, another infestation of Asian  
22 longhorned beetle was discovered in Chicago, Illinois,  
23 adding to the urgency of the situation and confirming that  
24 these emergency interim measures are warranted.

25 A pest risk assessment was completed revealing the  
26 likelihood of establishment and the consequences of  
27 introduction of the Asian longhorned beetle (*Anoplophora*  
28 *glabripennis*) and three other genera of insects intercepted  
29 on wood packing material from China: *Monochamus*, *Ceresium*

1 and Hesperophanes. Specifically, it evaluated the Asian  
2 longhorned beetle's current status in China as a perennially  
3 serious pest despite the presence of co-evolved natural  
4 enemies and warned of the disastrous effects this pest could  
5 inflict on U.S. forests, changing the composition of tree  
6 species enough to cause significant ecological impact.

7           An environmental assessment and finding of no  
8 significant impact have been prepared for this rule,  
9 weighing the risks associated with added pesticide usage  
10 versus the threat to our environment from further  
11 introduction of exotic forest pests. In this analysis,  
12 APHIS carefully considered four alternatives and their  
13 potential environmental consequences.

14           Specifically, APHIS is concerned that any increase  
15 in Methyl Bromide use as a result of this interim rule does  
16 not cause long-lasting damage to the ozone layer. APHIS  
17 also emphasizes that this is an interim measure that will  
18 remain in effect for only as long as it takes to develop a  
19 more effective solution to the problem -- a pest problem  
20 that could, if not addressed, result in substantial  
21 environmental damages to forests and ecosystems in the  
22 United States.

23           Dr. Siddiqui already discussed the economic  
24 analysis and the negative impacts these pests could inflict  
25 on specific U.S. industries. Also evaluated during the  
26 development of this regulation were the added costs to APHIS  
27 associated with inspection and possible destruction of  
28 untreated solid wood packing materials. To compensate for  
29 these costs, APHIS will charge a new hourly user fee in



1 cases where inspection services exceed normal service  
2 demands. The new user fee will cover situations in which  
3 APHIS must inspect a shipment that lacks the required  
4 exporter statement or certificate.

5 For example, if an inspector determines that a  
6 shipment imported from China contains untreated solid wood  
7 packing material in violation of the quarantine, the  
8 inspector may allow the importer to separate the cargo and  
9 destroy or re-export the wood under APHIS supervision. This  
10 service would, however, exceed the normal service APHIS  
11 provides under the current user fee structure. Accordingly,  
12 to offset some of these additional costs, APHIS will charge  
13 the importer an hourly user fee for these services.

14 Many inter and intra departmental briefings  
15 occurred during the development of this rule and comments  
16 and suggestions were accepted from U.S. Customs, The  
17 Department of Commerce, The Department of State, the U.S.  
18 Trade Representative, The President's Council on  
19 Environmental Quality and others to insure that all agencies  
20 and departments most impacted by these new requirements are  
21 prepared for their implementation.

22 On Friday, September 18th, APHIS published these  
23 new requirements. They state that starting December 17,  
24 1998, APHIS will require that all cargo shipped from China,  
25 and Hong Kong be accompanied by official certification from  
26 the Chinese government stating that all solid wood packing  
27 material associated with the shipment is heat treated,  
28 fumigated or treated with preservatives prior to arrival in  
29 the United States.

1           If no solid wood packing material is associated  
2 with the cargo, then the import documentation relating to  
3 the shipment must include a statement declaring so.

4           Solid wood packing material without official  
5 certification of treatment will be prohibited. Solid wood  
6 packing material found invested will be prohibited. There  
7 will be no treatment option in the United States except  
8 destruction or re-exportation of the wood. If there is no  
9 solid wood packing material associated with the shipment,  
10 then a statement from the exporter must appear on the  
11 shipping document declaring this.

12           The Hong King Special Administrative Region is  
13 included because about one half of the mainland China's  
14 exports to the United States come through Hong Kong. In  
15 view of the separate customs territory status and separate  
16 quarantine and inspection regime maintained in Hong Kong  
17 Special Administrative Region, we are considering changes to  
18 the interim rule in order to avoid unnecessary effects on  
19 Hong Kong's trade with the United States while preventing  
20 further introduction of serious plant pests.

21           As previously stated, we are accepting written and  
22 oral comments from the public in reaction to this new  
23 regulation. From these comments, we hope to be made aware  
24 of possible adjustments and improvements to the rule. Some  
25 ambiguities have already come to light and are addressed in  
26 the Q's and A's available at the registration table.  
27 Included in these Q's and A's are specific treatments  
28 extracted from the PPQ treatment manual that are efficacious  
29 in controlling the pests outlined in the rules and a sample

1 of one of the fumigation certificates we will be accepted  
2 upon implementation of the regulation.

3 After the December 17th effective date, we will  
4 continuously monitor and evaluate the program we have put in  
5 place and make adjustments where warranted. If it is  
6 discovered that these interim measures are not sufficient,  
7 then more restrictive actions will be considered.

8 Thank you in advance for your comments and for  
9 taking the time to help APHIS prevent further introduction  
10 of these destructive forest pests.

11 PRESIDING OFFICER LIDSKY: Thank you, Mr.  
12 Campbell.

13 Our first speaker is Mr. Laurence Cray of C J  
14 International. Welcome Mr. Cray.

15 MR. CRAY: My name is Laurence Cray and I am the  
16 General Manager of Midwest Operations for C J International  
17 Incorporated. We are Customs Brokers and Freight Forwarders.  
18 Our midwest offices are located in Indianapolis, Cincinnati,  
19 and Louisville. We have other offices on the east coast.  
20 Our midwest offices provide services to our clients  
21 throughout the states of Indiana, Ohio and Kentucky.

22 Virtually all of the Chinese origin cargo destined  
23 to the midwest arrives on the west coast and is sent in-bond  
24 by train to the interior ports of entry. Under USDA's  
25 present procedure it is not uncommon to have cargo delayed  
26 because of manifest holds placed by USDA personnel when they  
27 are screening vessel manifests on arriving ships. The  
28 containers can not be placed on the train until the  
29 Manifest hold has been removed. The container may or may

1 not have been examined. We presume this current method of  
2 screening will continue.

3 Under the proposed rule it appears that  
4 documentation will be reviewed at the time of entry as well.  
5 Certificates and disclaimers will be subject to verification  
6 and cargo release will be delayed. We see the possibility  
7 for a situation where a shipment can be delayed at two  
8 stages in the cargo's movement and of the same shipment  
9 being examined twice. We wonder whether USDA will have a  
10 system of communicating the results of port of arrival  
11 reviews to the ports of entry in order to minimize both the  
12 delay in the release of cargo and duplicative reviews and  
13 examinations.

14 MR. REEVES: USDA/APHIS has been working with the  
15 U.S. Customs service since the onset of this project in an  
16 attempt to minimize hindrance to the movement of cargo. As  
17 a result of this we are hopeful that entries can still be  
18 made under the automated broker program where we have  
19 electronic entries.

20 The broker should still be able to make entry from  
21 the interior if he is in Tennessee or Kentucky.

22 The record of the document, either the  
23 certification or the exporter's statement should be in the  
24 broker's possession. This may mean that the broker in  
25 Tennessee may have to fax or electronically send copies of  
26 these documents to the West Coast to make entry.

27 Nothing in this should lead to an increase in  
28 double inspections but we would envision that most of our  
29 inspections for the Chinese cargo, solid wood packing

1 material would take place on the West Coast.

2 MR. CRAY: I will move to my second and final area  
3 of comment. When the interim rule was published, C J  
4 International sent an information notice that summarized the  
5 requirements to our clients that import from China. Some of  
6 these companies, in turn, forwarded the information notice  
7 to their suppliers in China. We have received feedback from  
8 some and they indicate that there is confusion as to what  
9 treatment is acceptable, whether the USDA standards match  
10 Chinese standards, and what certificate of fumigation or  
11 treatment is acceptable. Mr. Campbell mentioned earlier  
12 that such information is contained in the Q & A Factsheet  
13 that is available here today. Because of the obvious  
14 confusion on the part of Chinese manufacturers and suppliers  
15 we wonder whether USDA will have a wide spread public  
16 information effort in China to inform affected parties of  
17 the requirements under the rule. We recommend such an  
18 effort.

19 Thank you.

20 MR. CAMPBELL: We already had a press release in  
21 China and a press conference upon publication of the rule  
22 and we will also be working directly with the Chinese  
23 government and industry vis-a-vis Marshall Kirby who will be  
24 going over there and trying to ensure that there is proper  
25 compliance with regulation on the Chinese side.

26 MR. LIDSKY: Thank you Mr. Cray.

27 My next speaker is Mr. John Dedmon, Chair,  
28 Container Council of the National Wooden Pallet and  
29 Container Association.

1                   Mr. Dedmon.

2                   MR. DEDMON: My name is John Dedmon. I am Chair  
3 of the National Wooden Pallet and Container Association's  
4 Container Council. NWPCA's member companies manufacture,  
5 repair and recycle the vast majority of the pallets and  
6 containers used and reused in North America. These  
7 containers and pallets can be made from either solid wood,  
8 composites, plastic, corrugated or engineered wood  
9 materials. Solid wood makes up 94 percent of the market.

10                  My firm, Milan Box Corporation of Milan,  
11 Tennessee, was founded in 1927 and manufacturers and  
12 recycles the pallets and containers used to move American  
13 goods from manufacturing through distribution and on to  
14 consumers worldwide.

15                  NWPCA members have great interest, in and a vital  
16 stake, in the effectiveness of APHIS phytosanitary  
17 standards. For decades the current standards have prevented  
18 the introduction of exotic plant pests into the U.S. Many  
19 reports that they believe USDA's current requirement for  
20 solid wood packing material from China, and many other  
21 countries, to be "totally bark free, and apparently free  
22 from live plant pests," is sufficient. I am not here to  
23 argue these points, but rather I represent a significant  
24 part of the solution.

25                  Given this current threat of infestation from the  
26 Asian longhorned beetle, NWPCA believes this proposed  
27 interim rule is an appropriate response. We support USDA's  
28 efforts to prevent U.S. hardwood timber resources from the  
29 beetle while simultaneously minimizing the impact on

1 international trade that is so vital to American economic  
2 interests and prosperity.

3 In evaluating USDA's proposal, we are primarily  
4 concerned about protecting U.S. forests. We also advocate  
5 that any regulation must be based on sound science while  
6 simultaneously providing adequate protection at minimal  
7 additional costs to U.S. importers and exporters and  
8 avoiding the creation of delays and barriers to global  
9 commerce.

10 We support your wise decision not to ban solid  
11 wood packaging from China. We applaud you for realizing  
12 wood packaging is dominant material used to move goods  
13 throughout the world and for recognizing that there are  
14 readily available options to stop any insect infestations.

15 Our member companies have decades of experience in  
16 producing and supplying pallets and containers to exacting  
17 imports?exports requirements. Whether the treatment option  
18 is fumigation, heat treatment or preservatives, our  
19 membership has "been there and done that".

20 We have reviewed the available treatment options  
21 proposed by USDA and already in use by our members. Our  
22 strong preference is to utilize a fumigant treatment for  
23 assembled containers and pallets before they are shipped to  
24 the customer. The fumigant does not change the essential  
25 character of the wood, thus manufacturers and customers can  
26 continue to use, re-manufacture and recycle wood containers  
27 and pallets in the same cost effective and reliable manner  
28 as we do now. The cost of fumigation is estimated to  
29 increase the cost of a pallet or container by less than 10

1     percent.

2             Recognizing that fumigation has a limited residual  
3     effect, NWPCA further encourages USDA to set an appropriate  
4     time limit between fumigation and when the material is  
5     packed in a container or shipped to negate any potential for  
6     reinfestation prior to shipment.

7             Another treatment option that USDA should include  
8     is the use of borates. Borates are applied by dipping-  
9     diffusion. Borate treated wood is unchanged in color,  
10    noncorrosive, and can be readily glued and finished. The  
11    increased cost of this process is also less than 10 percent.

12            Heat treatments have long term effectiveness with  
13    little or no environmental impact. However, the use of  
14    kiln-dried wood components for import packaging would  
15    increase the cost up to 50 percent. this would add  
16    significant economic burden to U.S. importers.

17            Water and oil borne preservatives could also be  
18    effective. But their long term presence in the wood renders  
19    is of reduced or no value in wood fiber recovery and  
20    recycling operations. Many fiber recovery recyclers refuse  
21    to accept chemically preserved or treated wood.

22    Preservatives would also increase the cost of import  
23    packaging. As an example, the use of CCA, cromated copper  
24    arsenate, treated lumber increased the cost of the lumber in  
25    the packaging by at least 200 percent and introduces  
26    occupational health and disposal issues. Of the treatment  
27    options that USDA is presenting, fumigation appears both the  
28    most practical and cost effective.

29            NWPCA has also been asked to provide assistance to



1 representatives of Chinese packaging suppliers and  
2 manufacturers who will visit the U.S. Our members are ready  
3 to help.

4 We also stand ready to serve as a resource to the  
5 U.S. regulatory agencies to provide a more complete  
6 understanding of how the pallet and container industry meets  
7 these expanding import/export requirements.

8 Additionally, NWPCA has created a technical fact  
9 sheet, a copy of which is attached, to help importers and  
10 exporters under these new requirements. We have posted this  
11 "TechTalk" on NWPCA's website, with links to the APHIS site,  
12 to make this information accessible to pallet and container  
13 users worldwide. NWPCA member companies are also prepared  
14 to help USDA spread the word to U.S. importers and exporters  
15 on how they can continue to use cost effective,  
16 environmentally sound wood packaging for their packaging  
17 needs to remain competitive in the global marketplace.

18 In conclusion, NWPCA specifically encourages the  
19 use of fumigants as providing the greatest benefit at the  
20 most reasonable cost. We are prepared to continue to help  
21 USDA find the best route based on our decades of experience  
22 in providing packaging solutions.

23 Thank you very much for the opportunity to appear  
24 here today.

25 PRESIDING OFFICER LIDSKY: Thank you.

26 Next, we have Mr. Kenneth Price with Lydall  
27 Southern Products.

28 MR. PRICE: Good morning. My name is Kenneth  
29 Price, and I work for Lydall Southern Products in Richmond,

1 Virginia. We manufacture slipsheets, a proven replacement  
2 for wooden pallets. Our slipsheets are made with laminated  
3 virgin kraft liner board, a material similar to the exterior  
4 walls of corrugated boxes. We also distribute a replacement  
5 for the wood dunnage used to protect products from damage in  
6 transit when loaded in shipping containers.

7 I am a graduate food technologist and member of  
8 the Institute of Food Technologists. I have previously  
9 worked on a number of major international companies, such as  
10 Pillsbury and Birds-Eye; both in the United States and in a  
11 number of countries overseas. I mention this fact because  
12 it is important to some of the statements I will make later  
13 on during my testimony.

14 The use of solid wood pallets and dunnage, both in  
15 international and domestic shipments, is an obsolescent, if  
16 not obsolete, technology. Many industries in the United  
17 States and other countries have already eliminated the use  
18 of solid wood packing materials due to the high cost of such  
19 materials as well as for the many problems inherent in the  
20 use of such materials.

21 I believe that the proposed USDA regulations will  
22 simply speed up a process that is already under way. A  
23 number of countries, such as Chile and Australia, have  
24 already placed limits or bans on the entry of solid wood  
25 packing materials, or are considering restrictions on the  
26 use of such materials. The United States is not alone in  
27 considering such restrictions.

28 The USDA has proposed three possible methods to  
29 solve the problem of insect infestation in solid wood

1 material. I believe that each of the proposed solutions to  
2 the problem is either of limited effectiveness, or presents  
3 problems at least as serious as the insect infestation  
4 problem the solution attempts to resolve.

5 The use of heat to kiln-dry wood is both expensive  
6 and very time consuming. It is also difficult, if not  
7 impossible, to verify that the heating was done properly, if  
8 at all. Measurement of the moisture content of the wood is  
9 no indication of the temperature attained during the drying  
10 process, and the USDA itself has stated that some insect  
11 pests can easily survive dryness in host wood.

12 The other two proposed methods of insect  
13 elimination have much more serious problems.

14 The USDA has proposed the use of Methyl Bromide  
15 fumigation to kill the problem insects. I have worked with  
16 Methyl Bromide in Chile and can state that it is an  
17 extremely toxic, dangerous material to work with. Moreover,  
18 under international treaty, the United States is committed  
19 to the elimination of the use of Methyl Bromine before the  
20 year 2000. It is incongruous, to say the least, that at the  
21 same time that the United States is eliminating the use of  
22 this dangerous chemical domestically, we are proposing to  
23 encourage the use of the same material in China. Methyl  
24 Bromide is proven to damage the ozone layer of the  
25 atmosphere. The use of this chemical anywhere in the world  
26 has an effect that is not limited to the user nation.

27 Finally, the pressure treatment of solid wood  
28 packing materials present other problems. China exports a  
29 significant volume of food products to the United States,

1 including froze and dried foods. Allowing such food  
2 products to be shipped on wood that has been pressure  
3 treated creates a very real risk of having the chemicals  
4 used in such pressure treatment, many of which are proven  
5 carcinogens, migrate out of the treated wood and into the  
6 food products being shipped on the treated wood.

7 Many companies, including Pillsbury, absolutely  
8 forbid the use of pressure treated wood in any situation  
9 where such wood comes into direct or indirect contact with  
10 food products, or contact with any material, such as  
11 cardboard boxes, containing food products. Pillsbury will  
12 not even allow pressure treated wood pallets anywhere in  
13 their food processing plants, even if such pallets are not  
14 intended for use with food products.

15 In summary, the methods that the USDA has proposed  
16 to eliminate the risk of insect infestation create problems  
17 at least as serious as the insect problem they are intended  
18 to solve.

19 A very effective replacement for solid wood  
20 packing material already exists, and this substitute will  
21 actually save users considerable money when compared to wood  
22 pallets and dunnage. This substitute substantially reduces  
23 the problem of insect infestation and does not create a  
24 health risk to users, or to the people receiving the product  
25 being moved on the materials. Our company manufacturers  
26 such a substitute, but by no means the only available  
27 substitute.

28 Slipsheets, as a replacement for wood pallets,  
29 have been in common use for over 25 years, and are now

1 widely accepted in many industries. Companies such as  
2 Pillsbury, Eastman Kodak, Kraft Foods, Xerox and Sony have  
3 used this technology for many years. Products ranging from  
4 medical supplies to bagged cement are being transported on  
5 slipsheets.

6 A number of companies in China and Hong Kong are  
7 already using this technology as a means of reducing their  
8 shipping costs by eliminating the use of wood pallets and  
9 dunnage. We do not believe that the elimination of wood  
10 pallets and dunnage will impose any unreasonable hardship on  
11 Chinese exporters. In the long term, it will actually save  
12 the exporters considerable money.

13 While special equipment is required to make full  
14 use of the capacity of the slipsheet system, we are aware of  
15 the fact that in many underdeveloped countries, slipsheets  
16 are manually loaded and handled in a manner similar to, or  
17 identical to wood pallets.

18 It is our believe that, given the problems  
19 inherent with the use of solid wood packing materials, and  
20 the problems connected with the proposed treatment of such  
21 packing materials, the USDA should mandate the total  
22 prohibition of the import of solid wood packing materials in  
23 the shortest time period possible.

24 Thank you.

25 PRESIDING OFFICER LIDSKY: Thank you.

26 Our next speaker is Mr. Scott Berg, with the  
27 American Forest & Paper Association.

28 MR. BERG: Good morning. My name is Scott Berg.

29 The American Forest & Paper Association is the

1 national trade association of the forest, pulp, paper,  
2 paperboard and wood product industry. AF&PA represents  
3 approximately 250 member companies and related trade  
4 associations -- whose members number in the thousands.  
5 These companies grow, harvest and process wood and wood  
6 fiber; manufacture pulp, paper and paperboard products from  
7 both virgin and recovered fiber; and produce engineered and  
8 traditional wood products.

9 AF&PA represents a vital national industry that  
10 accounts for more than eight percent of the total U.S.  
11 manufacturing output. Its members produce more than 84  
12 percent of domestic paper and recycled paper, and account  
13 for 50 percent of solid wood manufacturing capacity. The  
14 forest products industry owns about 14 percent -- 70.5  
15 million acres -- of the nation's 490 million acres of  
16 commercial forest land. As such, we have a direct and  
17 substantial stake in the effectiveness of our nation's  
18 phytosanitary standards.

19 After careful analysis, we strongly support the  
20 Animal and Plant Health Inspection Service proposed interim  
21 rule on solid wood packing material from China.

22 When APHIS initiated the process of developing  
23 comprehensive rules and regulations for imported  
24 unmanufactured wood products in 1992, AF&PA identified  
25 several key objectives for the APHIS phytosanitary  
26 regulations. These objectives include:

27 (1) the industry is first and foremost concerned  
28 about and dedicated to protecting U.S. forests from  
29 infestations of exotic pests;

1           (2) necessary rules and regulations must be based  
2     on sound science and afford adequate protection, while  
3     minimizing costs and avoiding unnecessary delays and  
4     barriers to entry of imported wood products;

5           (3) APHIS should strive to minimize administrative  
6     and compliance costs to the extent appropriate; and

7           (4) APHIS should strive to establish a predictable  
8     regulatory climate that is consistent with overall trade  
9     policy objectives.

10           AF&PA believes that the APHIS rules and  
11     regulations have prevented the introduction of plant pests  
12     associated with the vast majority of imported unmanufactured  
13     wood products. In light of increases in the importation of  
14     unmanufactured wood articles, APHIS has appropriately  
15     responded by increasing its monitoring and detection,  
16     conducting risk assessments and identifying potential  
17     problems, as well as implementing control procedures and  
18     measures to minimize pest risks. This level of activity and  
19     scrutiny demonstrates that APHIS is adequately and  
20     effectively administering its duties under U.S. law.

21           AF&PA commends APHIS for its thoroughness in  
22     monitoring and detecting exotic pests as part of its  
23     existing program to systematically regulate and control the  
24     importation of unmanufactured wood products into the U.S.  
25     The monitoring and analysis conducted by APHIS is thorough,  
26     and convincingly documents that solid wood packing material  
27     from China represents a significant risk of importing  
28     unwanted exotic pests. The proposed interim rule is thus  
29     fully warranted and timely.

1           The proposed requirements for heat treatment,  
2 fumigation, or preservative treatment prior to departure  
3 from China is consistent with the North American Plant  
4 Protection Organization draft regulations for SWPM. AF&PA  
5 has participated in NAPPO discussions and fully support both  
6 regional and international consistency in phytosanitary  
7 regulations. This international consistency will improve  
8 protection of domestic forest resources while minimizing the  
9 opportunity for erecting barriers to international trade.

10           AF&PA specifically supports the three treatment  
11 options, and recommends that new preservative treatments  
12 that have been developing over the coming months be reviewed and  
13 approved by APHIS under the regulatory category of  
14 preservative treatments. The treatment options will serve  
15 to make the regulations easier to comply with and minimize  
16 the incidence of violations of the regulations.

17           AF&PA also supports the use of other manufactured  
18 and pre-treated wood products such as plywood, particle  
19 board, corrugated paper, and other finished wood products  
20 that do not pose a pest risk. The forest and paper industry  
21 is eager to work with APHIS to demonstrate the utility and  
22 availability of alternative manufactured wood products that  
23 can supplement the current SWPM, both on an interim and  
24 long-term basis.

25           AF&PA supports APHIS's decision not to ban SWPM  
26 from China altogether, recognizing that there are available  
27 treatments that will serve to mitigate against insect and  
28 pest introductions. This will require more work and effort  
29 on the part of industry, exporters, governments, and APHIS;



1 but is necessary, give the \$72 billion in overall trade with  
2 China.

3 AF&PA agrees that APHIS should require the Chinese  
4 government to issue a certificate that each shipment of SWPM  
5 has been treated according to the APHIS regulations prior to  
6 export from China. For shipments that do not contain SWPM,  
7 we also agree that the exporters should provide a statement  
8 that no SWPM is contained within the shipment.

9 AF&PA agrees that appropriately treated SWPM  
10 should be physically segregated from other untreated SWPM  
11 until it is used in export. SWPM that is imported into  
12 China, and then is used in association with exported  
13 materials should also be segregated until it is used in  
14 export. Additional guidance in the regulations about what  
15 qualifies as "segregated" would be helpful to exporters, as  
16 well as help ensure that SWPM is not reinfested with pests.

17 While heat and preservative treated SWPM is  
18 effectively protected from reinfestation by exotic pests,  
19 AF&PA is concerned that Methyl Bromine fumigated SWPM could  
20 be reinfested soon after the treatment takes place. The  
21 positive zero residue attribute of Methyl Bromide  
22 represents a limitation in terms of long-term pest  
23 resistance. AF&PA recommends that the SWPM should be  
24 fumigated and segregated, with an appropriate time  
25 limitation for storage in order to further minimize the  
26 potential for reinfestation of SWPM. The appropriate time  
27 limit should be determined by APHIS based upon the risk of  
28 reinfestation by the particular pests of concern.

29 AF&PA agrees with and supports the proposed

1 procedure for inspection and detention of SWPM that is not  
2 in compliance with the rule. The proposed interim rule  
3 points out that poor compliance by the Chinese is a major  
4 concern, and APHIS should use its statutory authority to  
5 enforce the rules and carry out its inspection and detection  
6 programs. When noncompliance with the APHIS rules occurs,  
7 it is appropriate that the importer should be held  
8 responsible for all expenses associated with the inspection  
9 and detention procedure.

10 AF&PA agrees that as international trade in  
11 unmanufactured wood products increases, some inspections  
12 will need to be reassigned and additional inspectors will  
13 need to be hired to effectively implement the interim rule.

14 AF&PA supports additional appropriations to cover  
15 these increased costs, as well as the use of state agency  
16 personnel to supplement APHIS resources. When additional  
17 inspection services are required that exceed the normal  
18 inspection and paperwork activities, the proposed user fee  
19 is justified and should be implemented.

20 In conclusion, AF&PA supports the APHIS proposed  
21 interim rule on SWPM from China as the best way to protect  
22 U.S. domestic forests, while minimizing impacts on overall  
23 trade with China. The forest and paper industry stands  
24 ready to work with APHIS in identifying and communicating  
25 the need for the three treatment techniques, as well as the  
26 use of other manufactured wood products to accomplish the  
27 implementation of the rule by December 17, 1998.

28 AF&PA and its member companies are eager to work  
29 with APHIS in an ongoing effort to protect U.S. forests from

1 exotic pests, based on the best science and risk assessment  
2 techniques available. APHIS will need to work with the  
3 manufacturers of SWPM< exporting companies, and the Chinese  
4 government to ensure that the treatment facilities and  
5 techniques are available and implemented consistent with the  
6 interim rule. This will require close coordination between  
7 governments, the private sector, and interested parties to  
8 ensure an efficient and effective transition.

9 Thank you for the opportunity to provide input  
10 into APHIS's decisionmaking process and we look forward to  
11 continuing our cooperative working relationship.

12 PRESIDING OFFICER LIDSKY: Thank you.

13 Our next speaker will be Ms. Faith Campbell from  
14 American Lands Alliance.

15 MS. CAMPBELL: American Lands is grateful for the  
16 opportunity to express our views concerning APHIS' interim  
17 regulation requiring treatment of solid wood packing  
18 material from China.

19 We expect to submit written comments in addition  
20 to this oral statement.

21 America's priceless forests could be devastated by  
22 insects that hitchhike on solid wood packing material.  
23 Various industries and even our homes are also at risk.  
24 Among the recent alien species introduced by this pathway,  
25 the Asian longhorned beetle, *Anoplophora glabripennis*)  
26 stands out as particularly threatening to our forests.

27 The ALB's comic impact could be devastating --  
28 including decreased property values; public expenditures  
29 reaching \$100 million or more annually to remove damaged

1     trees; decimation of the \$2 million maple sugar and \$1  
2     billion autumn "leaf peeper" tourism industries; a \$120  
3     million reduction in the value of annual timber harvests;  
4     and serious tends of millions of dollars in damages to the  
5     nursery industry.

6             Ecological impacts would be profound once the  
7     beetle reaches natural forests.

8             Maple dominates forests covering approximately 48  
9     million acres in the northeastern U.S. and additional  
10    acreage in southern Canada. Widespread destruction of  
11    maples would probably result in a take-over by various  
12    invasive alien shrubs and vines. In the Rocky Mountain  
13    West, the beetles could devastate quaking aspen which  
14    provide vitally important habitat for cavity nesting birds,  
15    grouse, elk, deer, and beaver.

16            While the Asian longhorned beetle is an  
17    extraordinarily dangerous introduction, it is not the only  
18    damaging alien species that has been introduced on solid  
19    wood packing materials.

20            In addition to insects that feed on forest threes  
21    such as the pine shoot beetle and the Eurasian spruce  
22    beetle, there is another category of "pests" that has, so  
23    far, been overlooked: terminates. The damage caused by the  
24    Formosan terminate has been described in three publications  
25    this summer; this insect was introduced on wood dunnage in  
26    the 1940s. Formosan terminates cause an estimated \$1  
27    billion in damage annually across the south, particularly in  
28    historic districts such as New Orleans' French Quarter.

29            Finding harmful alien insects on wood packaging is

1 a common occurrence -- APHIS inspectors found exotic insect  
2 pests in more than 5,300 shipments containing solid wood  
3 packing materials between 1985 and 1996. The regulations  
4 adopted in 1995 have proved inadequate to protect America  
5 from alien species invasions. APHIS must now adopt  
6 phytosanitary safeguards that are sufficiently stringent to  
7 provide real protection.

8 China is a special case. It is home to a  
9 particularly dangerous alien species, the Asian longhorned  
10 beetle. Furthermore, Chinese exports have been associated  
11 with a disproportionately high number of interceptions since  
12 1993. Finally, Chinese exporters have disregarded the  
13 existing phytosanitary regulations.

14 In the first 31 months since APHIS' current  
15 regulations went into effect in 1995, APHIS port inspectors  
16 found insects in 132 shipments from China containing SWPM>  
17 Searches of warehouses holding Chinese goods have turned up  
18 more than 35 infestations of destructive wood-boring beetles  
19 in the Cerambycidae family, including 26 infestations of  
20 Asian longhorned beetle in California, Florida, Indiana,  
21 Michigan, New Jersey, North Carolina, Ohio, Pennsylvania,  
22 South Carolina, Texas, Washington, and Wisconsin.

23 Because the danger from China is acute, American  
24 Lands supports APHIS's decision to impose emergency  
25 regulations addressing those specific threats.

26 American Land also applauds APHIS' adoption of the  
27 new user fee -- applies the "polluter pays" principle.

28 However, the interim regulations fall short in two  
29 important areas:

1           (1) they undermine long-stand U.S. policy to  
2     reduce use of Methyl Bromide; (2) they protect American only  
3     from alien species hitchhiking from China, not those  
4     transported from other countries. The threat of harmful  
5     introductions is a global one.

6           During 1985 - 1996, APHIS inspectors found exotic  
7     insect pests shipments from nearly 90 countries. Europe was  
8     the source of most of them, 72 percent. Asia -- including  
9     Russia -- ranked second overall, with 16 percent of all  
10    interceptions. The proportion of insect interceptions from  
11    China and Russia exceeded the proportion of total imports  
12    from those countries. South America is typically third,  
13    averaging five percent of the total. Even imports from  
14    Mexico present pest risks.

15           To protect the health of our ecosystems, we must  
16    shut the door to these unwanted organisms.

17           For these reasons, American Lands urges the  
18    administration to adopt, as ;quickly as possible, new  
19    regulations that would prohibit the use of unprocessed wood  
20    as packaging accompanying imports from all countries, with  
21    the possible exception of Canada.

22           This step would: curb the spread of harmful alien  
23    organisms that damage vulnerable ecosystems; minimize the  
24    use of toxic chemicals that destroy the stratospheric ozone  
25    layer; and reduce demand for wood products from unmanaged  
26    forests.

27           This recommendation has been endorsed in letters  
28    to Secretary Glickman from the environmental and scientific  
29    communities. To date, 10 other environmental organizations

1 and 27 scientists working in the field of alien species  
2 management and atmospheric protection have signed the  
3 letters.

4 Thank you.

5 PRESIDING OFFICER LIDSKY: Thank you.

6 Let's take a break for 15 minutes.

7 PRESIDING OFFICER LIDSKY: Participants, we're  
8 going to reconvene this public hearing.

9 Our next speaker is Mr. Xia Hong-Min from CIQ of  
10 the People's Republic of China.

11 MR. HONG-MIN: (Through an interpreter.)

12 Ladies and gentlemen, good morning.

13 My name is Xia Hong-Min, X-I-A, H-O-N-G - M-I-N.

14 My rank is the general director Department of the  
15 Supervision on Animal and Plant, China.

16 Yesterday, we had a very good talk with the chief  
17 from USDA APHIS and on the issue of solid wood packing  
18 material from China. And today, I have this opportunity to  
19 state my viewpoint about these issues as follows.

20 From the principal quarantine and the issue --  
21 regarding the issues that American government may establish  
22 new rule, interim rule, to deal with pests from other  
23 country, we understand that. But for detail, I have  
24 stipulated in the interim rule, we have different opinion.  
25 The different opinion that is the following six aspects:

26 The interim rule which only aims at solid wood  
27 packing material from China, that is one of the countries of  
28 ALB's distribution is discrimination and unfair.

29 Secondly, the categories of treatment stipulated

1 in the interim rule is not on a scientific basis, and the  
2 treatment itself -- the treatment measure itself is not all  
3 covered.

4 Third, the interim rule will several impact the  
5 trade between China and U.S.A.

6 Fourth, the interim rule will greatly impact on  
7 the U.S.A. enterprises and America's living standard.

8 Fifth, the large increase of volume of treatment  
9 with Methyl Bromide fumigation will severely damage to the  
10 environment.

11 Sixth, the final measures that is economic and  
12 efficient measures in addition to that mentioned in the  
13 interim rule proposed by China that cannot -- cannot only  
14 prevent Asian longhorned beetle from spreading into U.S. but  
15 also minimize impact on trade between China and U.S.

16 Seventh, there is about 90 days phasing period.  
17 In order to let exporters do the good preparation work  
18 before the final days of the interim rule, we propose that  
19 phasing period enlarged here 180 days.

20 Next, in order to save time, I would like to  
21 invite my colleagues to introduce the detailed viewpoint  
22 about six or seven aspects in English directly.

23 Thank you.

24 The comments on interim rule on solid wood packing  
25 materials from the People's Republic of China. For the  
26 first aspects, the interim rule which only aims at solid  
27 wood packing materials from China is one of the countries of  
28 ALB's distribution is discriminating and unfair.

29 And the number one, the Asian longhorned beetle



1 distributes not only in China, but also in Japan and Korea.  
2 A full quarantine inspection of solid wood packing material  
3 from Japan, we intercept Asian longhorned beetle. According  
4 to agreement on the application of sanitary and  
5 phytosanitary measures of wood treat organization and the  
6 principal heat plan quarantine as related to International  
7 Trade of International Land Protection Convention,  
8 phytosanitary measures shall be applied by all member  
9 countries without discrimination between countries of the  
10 same phytosanitary status. So we consider that the interim  
11 rule which only aims at solid wood packing materials from  
12 China is discriminatory and unfair.

13 And two, it is discriminatory that APHIS has only  
14 adopted a high inspection rates of Chinese solid wood  
15 packing materials. The record in the past two years  
16 provided by the APHIS at Long Beach Port demonstrated that  
17 the rate of Chinese shipments was 88.65 percent of the total  
18 inspected shipments, and the inspected shipments from other  
19 countries was only 11.35 percent. Of the shipment treated,  
20 Chinese shipments were 4.17 percent, while other countries'  
21 shipments were 9.6 percent. Meanwhile, there was only one  
22 interception of Asian longhorned beetle from solid wood  
23 packing materials from China at the Long Beach Port. And  
24 the proportion of interception is .026 percent.

25 So I explain here that if this rate means that  
26 only one time interception where Asian longhorned beetle  
27 from total inspection times -- that is, 3,812. The  
28 shipments entering U.S.A. from China at Long Beach Port  
29 occupy 50 percent of whole Chinese shipments.

1           And, sir, according to material written by two  
2 U.S. scientists, 72 percent of wood-boring pests intercepted  
3 at U.S. ports were from Europe, European solid wood packing  
4 materials, and 16 percent were from Asia. China is only one  
5 of Asian countries. So it is not fair that USDA only takes  
6 a strict and quarantine measures to the Chinese solid wood  
7 packing material, which has lower pest interception  
8 probability.

9           The second aspects, interim rule mention about the  
10 category of treatment and treatment itself.

11           First, according to the interception records  
12 provided by APHIS office at Long Beach Port, there is only  
13 one interception of Asian longhorned beetle from solid wood  
14 packing materials from China in the past two years, which is  
15 only .026 percent. It is not scientific decision that USDA  
16 requires all solid wood packing materials from China must be  
17 treated and does not consider that non-host treated trees  
18 and trees in non-infested area in China can be safely used  
19 as packing materials.

20           Two, all suitable phytosanitary measures should be  
21 included in an interim rule. Only fumigation treatment,  
22 heat treatment or preservative treatment are required. In  
23 fact, some treatment required in the interim rule are  
24 difficult to implement in China due to limited conditions  
25 and the impact of fumigants and the environment. However,  
26 there are several other effective phytosanitary measures  
27 which can prevent Asian longhorned beetle from spreading and  
28 should be included in an interim rule.

29           Third, it is not reasonable that the interim rule

1 requires to take actions against all insect pests no matter  
2 if they are of quarantine significance or non-quarantine  
3 significance, which will impact on the trade between the two  
4 countries and also must comply with Article 4 of SPS  
5 agreements.

6           Developing phytosanitary measures should consider  
7 minimal impact on trade. We believe that the purpose to  
8 develop the interim rule by U.S. government is not to refuse  
9 Chinese communities and only to prevent Asian longhorned  
10 beetle from entering U.S.A.

11           And third aspects, the interim rule will severely  
12 impact the trade between our two countries. All solid wood  
13 packing materials from China must be treated, such as  
14 fumigation, heat treatment or treatment with preservatives.  
15 Before shipping to U.S., according to the interim rule,  
16 there are more than one million shipments exported to U.S.A.  
17 from China annually, and 33 to 50 percent of the total  
18 shipments packed with wood material, a lot of shipments with  
19 solid wood packing materials have to be treated at port in  
20 China. It is very difficult for China to implement and  
21 supervise the treatments and time due to the lack of Methyl  
22 Bromide, infrastructures and skillful fumigators and  
23 limitation with time. If the treatments are not carried out  
24 on time, the shipments will not be able to exit normally.  
25 All cause delay of the shipments.

26           The cost of shipments will rise because of  
27 additional treatment fee. It will seriously impact the  
28 trade between China and U.S.A.

29           And fourth aspects, interim rule will greatly

1     impact on the business of the U.S.A. enterprises and  
2     American living standard. Interim rule will impact trade  
3     between China and U.S.A. A lot of commodities will not be  
4     able to enter the U.S.A. from China because many commodities  
5     will not be treated on time in China. All costs will rise  
6     due to additional treatment fees.

7             All of those will seriously impact many American  
8     businesses and companies that have great trade relationship  
9     with Chinese companies, and many companies will be impacted  
10    and many employees will lose their jobs.

11            Many Chinese commodities will not be exported to  
12    U.S.A. due to interim rule, a lot of Chinese commodities of  
13    which prices are cheaper and qualities are good. Many  
14    disappear -- may disappear in American markets. The retail  
15    prices on many Chinese commodities, especially commodities  
16    for daily use, will rise due to the additional treatment  
17    fee. This will directly impact benefit and life standard of  
18    American people.

19            And fifth aspects, Methyl Bromide is the most  
20    efficient, effective and frequently used fumigant in pre-  
21    shipment and quarantine treatment in most countries of the  
22    world. But Methyl Bromide is one of the ozone depleting  
23    substance that is now controlled by Montreal Protocol.

24            U.S.A. will phase out Methyl Bromide by the year  
25    2001, and China will prohibit the construction of new  
26    factories for production of Methyl Bromide. If all solid  
27    wood packing materials from China to U.S.A. have to be  
28    fumigated with Methyl Bromide, according to the interim  
29    rule, the amount of Methyl Bromide needed will increase from

1 several thousand metric tons to even more than 10,000 metric  
2 tons.

3 Furthermore, all the fumigation with Methyl  
4 Bromide will be applied in several main port cities.  
5 Release of so large quantity of Methyl Bromide will not only  
6 affect the health of Chinese people but also severely damage  
7 the ozone air, which will jeopardize what we rely on, what  
8 we live in, including American people. If fumigation  
9 treatment is carried out in China as required by the interim  
10 rule, China will have to build new factories of capability  
11 to produce more than 10,000 metric tons annually. These  
12 factories could not be closed when the interim rule is to be  
13 changed.

14 If all countries require imported solid wood  
15 packing materials to be treated with Methyl Bromide, just  
16 as U.S. interim rule require, could you imagine how huge  
17 among of Methyl Bromide will be applied. At that time how  
18 can we control the Methyl Bromide used and protect the ozone  
19 layer?

20 With the recommendation of international trade,  
21 Chinese thinks that solid wood packing materials is one of  
22 high risk pathways of spreading pests. China has  
23 intercepted many potential quarantine pests associated with  
24 the wood packing materials and logs imported from foreign  
25 countries. Among them, there are more than 140 -- 140 pests  
26 intercepted from the United States from 1986 to 1996.  
27 China, therefore, hopes that all countries in the world must  
28 be effective on reasonable measures on wood packing  
29 materials together. China is doing -- is doing the pest

1 risk analysis of wood packing materials and logs imported  
2 from foreign countries in order to provide scientific basis  
3 for dealing with the issues.

4 Research we've done conducted by Chinese Land and  
5 Quarantine Departments and relevant research institutions  
6 indicate that there are various phytosanitary measures other  
7 than of fumigations, fumigation, heat treatment and  
8 treatment with preservatives in the interim rule, which can  
9 also effectively prevent spreading of Asian longhorned  
10 beetle. Further, the three treatment measures addressed in  
11 interim rule, fumigation is the most frequently used  
12 treatment in U.S.A., so does China. The condition for other  
13 two are not available in China. If U.S.A. insists on the  
14 above three measures, China can only use Methyl Bromide as  
15 fumigation treatment. However, using a large quantity of  
16 Methyl Bromide will severely pollute the environment. It is  
17 known that some American scientists are also concerned about  
18 the impact on environment when the interim rule put into  
19 force, and are jointly signing a letter to the Agriculture  
20 Secretary of the United States, some members of Congress and  
21 media to propose revision of the interim rule and take other  
22 treatments to reduce use of Methyl Bromide.

23 According to the research on biology and control  
24 of Asian longhorned beetle, there are many other effective  
25 quarantine measures. One is the quarantine inspection and  
26 measurement in that the wood packing materials are subjected  
27 to inspect by Chinese Quarantine Department prior to  
28 shipment. If no Asian longhorned beetle is found, the final  
29 entry certificate will be issued. If Asian longhorned

1 beetle is found, the treatment will be carried out.

2 Another is other quarantine treatments, including  
3 selecting trees from Asian longhorned beetle free areas and  
4 non-host trees for packing materials.

5 And next, sawing wood into thin plates, that is,  
6 less than two cm; and next, using logs or timbers which were  
7 cut down after two years as packing materials; and next, put  
8 the logs into the water at least 30 days.

9 According to the principles of Article 4 of the  
10 SPS agreement, U.S. scientists should accept the above  
11 treatment measures.

12 And the last aspect is about 90-day phasing  
13 period. There are many skilled enterprises scattered in  
14 China which export commodities to U.S.A. So the 90-day  
15 phasing period is not enough for all the enterprises and  
16 Land Quarantine Services to get ready and take appropriate  
17 measures to be responsive. In order to respond to interim  
18 rule properly in China, we suggest that the phasing period  
19 be prolonged for another 90 days.

20 Thank you very much.

21 PRESIDING OFFICER LIDSKY: Thank you very much.

22 Our next presenter is Christopher Padilla from  
23 Eastman Kodak Company.

24 MR. PADILLA: Good morning, my name is Christopher  
25 Padilla, P-A-D-I-L-L-A. I'm Director of International  
26 Trade Relations for Eastman Kodak Company.

27 I don't have a statement but I do have a number of  
28 clarifying questions, mainly related to the logistics of  
29 implementing this, I would like to ask, if I may.

1           My first question was going to be whether or not  
2   APHIS believes that there are sufficient -- a sufficient  
3   infrastructure in China, and a sufficient number of service  
4   providers to do the work of either fumigation or heat  
5   treatment.

6           Do you have any information you could share with  
7   us on how many providers are available and the extent of the  
8   infrastructure for performing this work?

9           MR. CAMPBELL: We don't have any information on  
10   that right now. We're hoping to get more information when  
11   our plant quarantine specialist arrives in China, and we  
12   hope he will be there within the next two weeks.

13          MR. PADILLA: Okay, thank you.

14          I have a couple of questions related to the  
15   documentation requirements, particularly the -- I noted the  
16   copy of the Chinese government form in the Q's and A's  
17   packet that you distributed, which was helpful.

18          Do you have any information on how that form will  
19   be made available in China, and is that the only acceptable  
20   form of certification that solid wood packing materials had  
21   been treated?

22          MR. CAMPBELL: We are accepting certificates from  
23   the government of China, from a specific ministry in China.  
24   China will let us know officially what that ministry is or  
25   if there are multiple ministries.

26          So as it is right now the official certificate  
27   that you see in the Q's and A's will be -- we hope will be  
28   the one certificate, but there may be others, but, again,  
29   that's pending.



1           MR. PADILLA: Would that -- in terms of finding  
2 out before this goes into effect, will that be part of the  
3 final rule?

4           MR. CAMPBELL: No, that will probably be made  
5 available on the website prior to -- prior to the effective  
6 date.

7           MR. PADILLA: Prior to December 17th?

8           MR. CAMPBELL: Right.

9           MR. PADILLA: Thank you.

10          I have a question then regarding the exporter's  
11 statement if there are solid wood packing materials in a  
12 shipment. The Federal Register notice states that an  
13 export's statement is required.

14          Is there any particular script, a few sentences  
15 that we should use? Would that be part of the final rule or  
16 just a few sentences typed onto a bill of lading acceptable?  
17 Any more guidance you could give us to avoid confusion at  
18 ports?

19          MR. CAMPBELL: What you said is sufficient. There  
20 is no solid wood packing material accompanying the shipment,  
21 and that can be typed on an invoice. That could be by  
22 itself. That could be on a bill of lading. It could be on  
23 the ship's manifest. We gave it as much latitude as  
24 possible.

25          MR. PADILLA: So it doesn't have to be typed in a  
26 specific place on a specific form?

27          MR. CAMPBELL: No.

28          MR. PADILLA: It could be attached to the bill of  
29 lading or to the commercial invoice?

1           MR. CAMPBELL: It just has to be available to the  
2 PPQ inspector.

3           MR. PADILLA: Thank you.

4           Then my last question regards shipments through  
5 Hong Kong Special Administrative Region. As I'm sure you  
6 know, many -- many imports from China are transshipped via  
7 Hong Kong. And my question is: Will Hong Kong customs  
8 authorities be requiring the Chinese Agricultural Ministry  
9 certificate prior to entry into Hong Kong? And would that  
10 then be passed on as the shipment goes from Hong Kong to the  
11 U.S. or do you anticipate that the Hong Kong SAR will issue  
12 its own certificate?

13           What would be the procedure for a typical  
14 shipment, most of which are going through Hong Kong in  
15 Kodak's case?

16           MR. CAMPBELL: If the shipment comes from China  
17 through Hong Kong, there should be a fumigation certificate  
18 from China accompanying that shipment. So if -- it should  
19 be fumigated in China prior to leaving because I don't think  
20 Hong Kong will be fumigating that shipment.

21           MR. PADILLA: Do you know if Hong Kong authorities  
22 will permit entry into Hong Kong without a certificate if  
23 they know the shipment is going to the U.S. or do we have to  
24 -- I guess from an importer's point of view, do we have to  
25 make sure our broker takes care of that? We can't rely on  
26 the shipment being stopped in Hong Kong, I assume?

27           MR. CAMPBELL: Yeah, it would be up to your broker  
28 to take care of that. It's really out of our control.

29           MR. PADILLA: Okay. And I guess you already

1 answered my last question, which is you don't anticipate a  
2 lot of treatment being done in Hong Kong and some sort of  
3 separate certificate from the Hong Kong SAR?

4 MR. CAMPBELL: Well, no. If a shipment is  
5 originating in Hong Kong, if there is wood packing material  
6 in there, it would have to be treated prior to shipment to  
7 the U.S. We don't expect Hong Kong to treat wood from  
8 China. We don't expect -- if a shipment is transiting China  
9 and we don't expect Hong Kong to open up that box --

10 MR. PADILLA: Okay.

11 MR. CAMPBELL: -- and fumigate it. We expect  
12 China to do that.

13 MR. PADILLA: Okay. I think that's all my  
14 questions. Thank you for your help.

15 MR. CAMPBELL: Thank you.

16 PRESIDING OFFICER LIDSKY: Our next speaker is  
17 Sara Fogarty from AMP, Incorporated.

18 MS. FOGARTY: My name is Sara Fogarty,  
19 F-O-G-A-R-T-Y. I'm the Washington representative for AMP,  
20 Incorporated.

21 I have -- most of my questions were asked by Mr.  
22 Padilla, but I just want to register a concern.

23 Our shipments from China must be shipped by  
24 November 1 to get here on December 17th, so we only have a  
25 couple of weeks to clarify some of these questions.

26 What is the best practices for a company in our  
27 position? Could you give us any advice?

28 MR. CAMPBELL: We've gone on record as saying that  
29 the shipping date is the December 17th date.

1 MS. FOGARTY: Okay.

2 MR. CAMPBELL: That was decided to give industries  
3 in China and the U.S. a little more room to gear up to  
4 comply with the new requirements. So that's -- the best  
5 advice I can give you is --

6 MR. BUNDY: Let me cut in at this point and say  
7 that the rule as currently written becomes effective on  
8 December 17th, and anything arriving in the United States by  
9 the terms of that rule would have to carry proper  
10 certificate.

11 Now, I believe that there is at this point -- the  
12 agency has made some other statements, and that that will  
13 have to be clarified by the department as to exactly what's  
14 going to occur and how it's going to be done.

15 MS. FOGARTY: So to clarify any goods arriving  
16 after December 17th must have the certification?

17 MR. BUNDY: As the rule is currently written, when  
18 it arrived in the United States starting December 17th, it  
19 would be required to have a statement.

20 MS. FOGARTY: So to further clarify, our shipments  
21 leaving November 1st must have that certification because it  
22 takes that long?

23 MR. BUNDY: If it takes that long, the way the  
24 rule is currently written, that would be the way to go to be  
25 perfectly safe.

26 MS. FOGARTY: Could I then ask how you -- could I  
27 ask for maybe just a road map on how we are going to comply,  
28 what government agency? Could you just spell out for me,  
29 please?

1           MR. CAMPBELL: It would be the Ministry of  
2     Agriculture in China which is -- which is now CIQ.

3           MS. FOGARTY: Okay.

4           MR. CAMPBELL: And you could work with them to  
5     secure a facility for fumigation, if fumigation is the  
6     treatment that you desire.

7           The direction of the agency is to try and  
8     convincing the importing community around the world that  
9     solid wood packing material can be a pathway for some pretty  
10    serious pests, and we are going to be going out with an  
11    advance notice of proposed rulemaking to try and get  
12    information from the public on how to fix this problem.  
13    I've heard several comments today in opposition to solid  
14    wood packing material, and supporting the use of solid wood  
15    packing material.

16           So I can't -- I don't want to tell you that  
17    alternative packing materials would be your safest bet right  
18    now because the agency would be taking that position, you  
19    know, prematurely. But if your fears are you want to comply  
20    with this regulation as quickly and as easily as possible,  
21    alternative packing materials would be your answer, or  
22    plastics, wood composites, plywood.

23           MS. FOGARTY: Right. There is a difficulty of  
24    availability of materials --

25           MR. CAMPBELL: Yes, I'm sure there is. Right.

26           So treatment of wood packing material in your  
27    shipping is next option. Heat treatment, we're discussing  
28    the use of borates here and other preservatives and  
29    fumigation.

1 MS. FOGARTY: I just want to go on record then we  
2 fully support the objectives of the interim rule. We're  
3 actually just concerned about complying with this rule in  
4 the most efficient manner possible given the noted  
5 ambiguities in terms of compliance.

6 MR. CAMPBELL: That's right. So what we hope --  
7 what we hope with our person going over to China, he'll work  
8 directly with the government of China to try and get a road  
9 map for you or a recipe on how to comply prior to the  
10 effective date, and we really feel that once he gets there  
11 information will be forthcoming and it will be easier for  
12 your exporters to comply with the new regulation.

13 MS. FOGARTY: Thank you very much.

14 MR. CAMPBELL: Right.

15 MS. FOGARTY: Also, he's going in two weeks,  
16 correct?

17 MR. CAMPBELL: We hope he'll be there within two  
18 weeks.

19 MS. FOGARTY: Okay. Thank you.

20 PRESIDING OFFICER LIDSKY: Our last speaker is Mr.  
21 John Kennedy.

22 MR. KENNEDY: My name is John Wayne Kennedy, the  
23 last name is K-E-N-N-E-D-Y. My past experience was over 18  
24 years with Fab Protection and Quarantine, part of which I  
25 spent in Hoboken, New Jersey, developing treatments for the  
26 commodities that are imported into the United States, and  
27 this include some wood treatments.

28 I am now a consultant and I deal in pesticides,  
29 registering pesticides at the Environmental Protection

1     Agency and am quite aware of the newer pesticides that are  
2     used and the type of treatments that might be used on the  
3     wood crating and packing.

4             I support the proposed interim rule on the packing  
5     materials, and I think it should be expanded to other  
6     countries as well, because, although we are getting a lot of  
7     the interceptions from China, I don't think that we should  
8     allow the other countries to have any kind of an edge.

9             Discussing the alternatives for the treatment of  
10    the wood crating, Methyl Bromide certain is the most  
11    efficacious product that could be used on wood. However,  
12    treating large quantities of lumber with Methyl Bromide  
13    would have its problems. I think that it -- given the new  
14    rules that are coming out, especially on those kind of  
15    treatments, it would be best if Methyl Bromide not be  
16    considered as a viable alternative. I believe that Methyl  
17    Bromide should be saved for use in chamber fumigations on  
18    fruits and vegetables and such because there are not  
19    acceptable alternatives.

20            The use of sulfuric fluoride is -- it's a good  
21    wood treatment. However, in the studies that were conducted  
22    up there in Hobokan, we found that sulfuric fluoride was not  
23    as effective against the egg stage in the lumber, and  
24    therefore might not be a viable alternative. Hydrastine is  
25    not a good penetrator and I wouldn't use those on wood  
26    borers.                            So we don't have too many  
27    things we can use in the way of fumigants.

28            When we start talking about the surface  
29    treatments, we have some problems, of course, with creosol.

1 I think that the copper compounds probably would work just  
2 as good. But the one that I really believe is the best one  
3 to use is the borates. Specifically, disodium octabori  
4 tetchahydrate, better know as DOT, or even use of the boric  
5 acids, and I'm not sure if those are present in China, but  
6 they certainly would be viable treatment alternative.

7 The treatment procedure involves dipping for no  
8 more than about a half an hour at higher temperatures, 150  
9 degrees, in a solution, which is very easily put together  
10 and the U.S. Forest Service and Mississippi State University  
11 have done a great deal of work, specifically, Terry Amberdi,  
12 Professor Terry Amberdi from Mississippi State.

13 I think that APHIS should take a good look at this  
14 treatment and then see whether or not they can put it in the  
15 manual or put it in the CFR or whatever so that you would  
16 have a good idea of exactly what you would have to do and  
17 outline it well for the Chinese and the other countries that  
18 would use the wood cratings.

19 The other advantage to the borate treatments is  
20 that you can use a test, as a test spray, and once the wood  
21 has been treated with the borates, the inspector would  
22 merely have to take this wood -- this aerosol can and spray  
23 it on the wood. If the wood had been treated, it will turn  
24 a reddish color. That would give you a very good monitoring  
25 device for determination of whether or not the shipment was  
26 treated.

27 There is a tremendous amount of data that has been  
28 developed on the borates over the years. It was mentioned  
29 at the First Congress, along with the other acceptable



1 quarantine treatments used by other countries, especially  
2 Australia and new Zealand, and I believe that APHIS has even  
3 approved wood chips from Chile treated with the borates. It  
4 would not take that long to examine the literature and come  
5 up with the appropriate quarantine treatment.

6 As a matter of fact, we were talking about wood  
7 cycling of the pallets, and I actually have a client that  
8 recycles these pallets into wood chips and treats them with  
9 borates, and we know that the borates are -- have been  
10 approved by the -- approved, I can't use the word -- they  
11 have been registered by the Environmental Protection Agency  
12 for a few companies, and I believe that using the label rate  
13 you would have a good quarantine treatment.

14 Thank you.

15 Any questions?

16 PRESIDING OFFICER LIDSKY: Thank you.

17 Are there any further persons who have not  
18 registered to speak who would like to come up to the podium  
19 and make some comment or ask some questions?

20 Would you state your name

21 MS. STRATMANN: I'm Gail Stratmann,  
22 S-T-R-A-T-M-A-N-N, and I'm assistant general counsel for  
23 Everready Battery Company.

24 I just have a question about whether you have  
25 looked at the applicability of some DOT regs that I believe  
26 went into effect October 1st of this year, that have to do  
27 with transportation of lading that has been fumigated with  
28 Methyl Bromide.

29 It just appears from a quick look at these regs

1     that they might require some things be done in China in the  
2     way of marking containers, certainly some things done here  
3     before containers are then put on the rail cars and  
4     transported through the United States.

5             Has anyone looked at that or can anyone direct us  
6     to a place that we could get some guidance on requirements  
7     of those regs and how they interact with the interim rules?

8             MR. BUNDY:   If you can give us some cites to them,  
9     we'll be glad to look at it.  There is no reference to them  
10    in this current regulation.

11            MS. STRATMANN:  Right.  The cite is 49 CFR  
12    172.302, and 49 CFR 173.9.

13            MR. BUNDY:   What was the page number on that first  
14    site?

15            MS. STRATMANN:  I'm afraid I -- I just have what I  
16    pulled off the internet.  Section 172.302.  That's as much  
17    as I can give you.

18            MR. CAMPBELL:  What's the date of the Federal  
19    Register notice.  It was October 1st?

20            MS. STRATMANN:  The effective date was October 1,  
21    1998.

22            MR. CAMPBELL:  Okay.

23            MS. STRATMANN:  Thank you.

24            PRESIDING OFFICER LIDSKY:  Are there any other  
25    persons that would like to come up to the podium and ask  
26    questions or make comments?

27            (No response.)

28            PRESIDING OFFICER LIDSKY:  Well, since we don't  
29    have any other persons who would like to speak, we will

1 adjourn today's hearing.

2 Thank you very much.

3 (Whereupon, at 11:30 a.m., the public hearing was  
4 concluded.)

5 //

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<u>Interim Rule for Solid Wood</u>	
Name of Hearing or Event	

N/A
Docket No.

Washington, DC  
Place of Hearing

October 16, 1998  
Date of Hearing

We, the undersigned, do hereby certify that the foregoing pages, numbers 1 through 67, inclusive, constitute the true, accurate and complete transcript prepared from the tapes and notes prepared and reported by George Holmes, who was in attendance at the above identified hearing, in accordance with the applicable provisions of the current USDA contract, and have verified the accuracy of the transcript (1) by preparing the typewritten transcript from the reporting or recording accomplished at the hearing and (2) by comparing the final proofed typewritten transcript against the recording tapes and/or notes accomplished at the hearing.

	<u>Joyce Boe</u>
Date	
	Name and Signature of Transcriber
	Heritage Reporting Corporation

	<u>Lorenzo Jones</u>
Date	
	Name and Signature of Proofreader
	Heritage Reporting Corporation

	<u>George Holmes</u>
Date	
	Name and Signature of Reporter
	Heritage Reporting Corporation